

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation, for a Permit to
Construct the Santa Cruz 115 Kilovolt Reinforcement
Project Pursuant to General Order 131-D

(U 39 E)

A.12-01-012
(File January 25, 2012)

**PACIFIC GAS AND ELECTRIC COMPANY'S
PRE-HEARING CONFERENCE STATEMENT**

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December 5, 2014

Attorneys for Applicant
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COMPANY, a California corporation, for a Permit to
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PRE-HEARING CONFERENCE STATEMENT**

Pursuant to Administrative Law Judge Robert Mason's October 28, 2014 E-Mail Ruling Setting Further Pre-Hearing Conference ("Ruling") in the above-captioned matter, Pacific Gas and Electric Company ("PG&E") hereby submits this Pre-Hearing Conference Statement.

By e-mails dated November 7, 2014, and November 10, 2014, PG&E contacted the Parties listed on the Service List,¹ forwarded the Ruling to the Parties, and proposed convening a conference call on Thursday, November 20, 2014 to discuss the items listed in the Ruling. By e-mail dated November 12, 2014, Party James Kerr indicated to the undersigned that he had spoken with all of the other Parties and that they were all are able to meet and confer via conference call on Thursday, November 20, at 4:30 p.m. The conference call was held at that time. The following parties attended: PG&E, William Parkin (counsel for Neighbors Organized to Protect Our Community, "NOPOC"), Nancy Bensen, David Black, Britt Haselton, James Kerr, Marco Romanini, and Richard Ulrick. In addition, the following members of NOPOC

¹ The following individuals are listed as Parties on the Service List: James Kerr; Raymond and Nancy Bensen; William P. Parkin; Britt and Joseph Haselton; David W. Black, Jr.; Richard V. Ulrick; and Marco Romanini.

attended: Carolyn Carney, Mariposa Kercheval, Ed Murrer, Evelyn Sharp and Frederick Voegelin.

Below is PG&E's discussion of the three issues identified in the Ruling.

1. Should this Application for a Permit to Construct be Dismissed, Without Prejudice, While PG&E and CAISO Re-evaluate the Need for the Santa Cruz 115-kV Reinforcement Project?

It is PG&E's understanding that the CAISO will provide its re-assessment of the need for the Project within a few weeks. Given this short time-frame, and the fact that under the CAISO tariff PG&E is currently required to construct the Project, PG&E believes the most prudent course is to continue with the permitting process² until such time as the CAISO definitively states whether the Project is needed. Once the CAISO provides its re-assessment, the Parties can reconvene to determine next steps.

PG&E believes that dismissal of the permit application at this time, even if the dismissal is without prejudice, would be premature and could potentially harm PG&E, its customers, other Parties and the Commission itself. If the permit application is dismissed without prejudice and the CAISO ultimately determines that the Project is still needed, PG&E would be required to re-file its permit application. Re-filing the permit application would be administratively burdensome and result in the needless incurrence of additional costs. It would also require the Parties to respond again to the re-filed application and the Commission to expend resources addressing those responses. Such an approach makes little sense, particularly where, as here, there is no prejudice to any Party by continuing with the permitting process for another few weeks until such time as the CAISO completes its re-evaluation of the need for the Project. Certainly, if the CAISO determines that the Project is still needed, there will have been no

² At this juncture, "continuing with the permitting process" means that the Commission's Energy Division would continue preparing the draft CEQA environmental document for the Project.

prejudice stemming from the continuation of the permitting process. And if the CAISO determines that the Project is not needed, no harm will accrue to any Party as a result of continuing with the permitting process for a matter of a few weeks.

2. Will there be any Negative Impacts in the Santa Cruz Area if the Application for a Permit to Construct is Dismissed, Without Prejudice?

PG&E does not believe there would be any negative impacts in the Santa Cruz area if its application for a permit to construct were dismissed without prejudice. However, as stated above, PG&E believes it, its customers, the Parties and the Commission could be negatively impacted if its permit application is dismissed without prejudice pending the CAISO's re-evaluation of the need for the Project. If the permit application is dismissed without prejudice and the CAISO ultimately determines that the Project is still needed, PG&E will be required to re-file its permit application. Re-filing the permit application would be administratively burdensome and result in the needless incurrence of additional costs. It would also require the Parties to respond again to the re-filed application and the Commission to expend resources addressing those responses.

3. If This Application for a Permit to Construct is Not Dismissed, Without Prejudice, What is the Timeline for When this Matter Should Be Put to the Commission for a Vote?

As stated above, it is PG&E's understanding that the CAISO will provide its re-assessment of the need for the Project within a few weeks. It is also PG&E's understanding that the Energy Division has completed the majority of the draft CEQA document. Consequently, if the CAISO were to determine that the Project is still needed, and assuming that Energy Division completes the draft CEQA document by January 31, 2015, PG&E believes the matter could be put to the Commission for a vote at its June 11, 2015 meeting, pursuant to the following schedule:

Draft CEQA Document Issued	January 31, 2015
45-Day Public Comment Period on Draft CEQA Document	March 17, 2015
Final CEQA Document Issued	May 18, 2015
Commission Vote	June 11, 2015

DATED: December 5, 2014

Respectfully submitted,

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